



State Capitol
Lansing, Michigan 48913
517/373-7888
1-888-937-4453
517/373-2983 (fax)
sengjacobs@senate.michigan.gov

GILDA Z. JACOBS
MICHIGAN SENATE
ASSISTANT DEMOCRATIC FLOOR LEADER
FOURTEENTH DISTRICT

Committees
Economic Development, Small
Business and Regulatory Reform VC
Families and Human Services VC
Government Operations
Health Policy

The Jacobs Report

FOR IMMEDIATE RELEASE
Friday, September 24, 2004

CONTACT: Matt Levin
(517) 373-7888

TAX SHIFT PASSES HOUSE

After a three-hour vote, the House came up with the minimum 55 votes required to pass the county tax acceleration plan on Wednesday.

The final tally had 23 Republicans and 32 Democrats voting "yes". The lengthy vote on Senate Bill 1111 started around 2 p.m. and included a Call of the House. Once the ice was broken at approximately 5 p.m., SB 1112 then passed relatively quickly.

"We're all very pleased to say that this represented a major final piece of a very tough budget year," House Minority Leader Dianne Byrum (D-Onondaga) told reporters after the vote.

This final step in the budget agreement turned out to be somewhat harder to pass than most would have thought just a couple of weeks ago when Gov. Jennifer Granholm, House Speaker Rick Johnson (R-LeRoy) and Senate Majority Leader Ken Sikkema (R-Wyoming) announced the plan.

As reported in prior editions of the Jacobs Report, the acceleration plan calls for one third of residents' December county property tax payments in Fiscal Year (FY) 2005 to be made in July. The next year, two-thirds of that December payment would be made in July. And by FY 2007, the entire December county-portion payment would be made in July.

LONG-TERM STRUCTURAL CHANGES NEEDED

After long negotiations on the House floor to pass her county-tax collection acceleration plan, Gov. Granholm told reporters that she's ready to begin working on structural changes to avoid these budget problems in the future.

"I do think we have to take a look a little bit more at the structural aspects of our budget," Granholm responded when asked about possible future budget deficits. "We've been a manufacturing economy (and thus) we've relied on that form of taxation. We are doing an economic shift in this state and we need to take a look at a 21st Century revenue structure."

Reporters then asked if the public could expect tax reform proposals from her administration within the next 12 months. "I think you can probably expect them sooner than that," she said.

Interest groups and some economists have suggested that there is a growing need for the state to move toward

--more--

expanding the sales tax to capture the growing economic activity of the service and internet sector.

The governor said she would begin looking at “structural” issues with a two-day retreat with all her cabinet this weekend.

The clock is ticking on the 92nd Legislature, but Governor Jennifer Granholm appears open to pushing for an overhaul of the state's tax structure during the lame-duck session that will commence after November 2 elections. “I still think that we've got to take another look at the structural issues of the state, and hopefully we'll get a chance to do that after the election,” she said.

In proposing a new tax structure, there are two main tasks at hand: providing the state with a more stable base of revenues while making Michigan's business climate attractive and competitive.

Some legislative members are skeptical whether such complex changes can be implemented over a relatively short four-week period.

“Whenever the Legislature is in session, it is always an appropriate time to take up legislative business and that includes making Michigan's business climate more fair and competitive so that we can attract new businesses and jobs to our state,” said Granholm spokesperson Mary Detloff.

The political complexion of the Legislature will change on January 1. A new House, with at least 38 new members out of 110, will take office. House Speaker Rick Johnson, the pragmatist speaker, will be gone. It is unclear whether or not his successor will express similar interest in tax structure reform. When the speaker's chair changes possession, the torch will be passed from the pragmatist conservative class of 1998 to the more ardently conservative class of 2002.

Unless Democrats outperform expectations on Election Day and winnow the GOP majority to less than 60 seats, efforts to rewrite the tax structure could grow more difficult next year.

Ari Adler, spokesperson for Senate Majority Leader Ken Sikkema (R-Wyoming), said it took the Legislature months to resolve the annual issue of budget spending. “To see something like that (the tax restructuring) happen in a couple of weeks doesn't seem realistic,” he said.

But Mr. Sikkema is “very interested” in addressing the issue, Adler added.

Unlike the House, the Senate is not up for election this year and its 38 members will remain unchanged until 2007.

SENATE OBJECTS TO CONSCIENTIOUS OBJECTOR LEGISLATION

Bills giving a physician or health care worker a legal out if they refuse to perform a procedure for moral or religious reasons received a chilly reception in the Senate Health Policy Committee Wednesday from Republican and Democratic members alike.

The so-called “conscientious objector” package passed the House, but has been shelved in the Senate until this week, when Senate Health Policy Chairwoman Bev Hammerstrom (R-Temperance) allowed testimony on HB 5006, HB 5276, HB 5277 and HB 5278. However, based on committee dialogue and questioning, it wouldn't appear that any of the bills are going much further—at least in their current form.

Each of the five-member Senate committee expressed reservations toward the legislation. The strongest comments came from Sen. Virg Benero (D-Lansing), who commented that instead of patients' wants and needs being the primary focus, it would now be the physicians' or the hospitals' beliefs that would be taking center stage.

“Where does this concept come from to turn health care from a patient-driven system to a caregiver-driven system?” asked Benero.

Bernero wasn't the only committee member expressing serious concerns. Sen. Tom George (R-Kalamazoo), the Senate's only licensed doctor, approached one of the bills' supporters, Ave Marie University Professor Richard Meyer, about the example of the Jehovah Witness physician who had a religious objection to giving a blood transfusion.

He spoke of an incident where he personally suggested a certain amount of pain medication be given to a patient, only to be told by a nurse at the Catholic hospital that there would be a moral objection to that level of treatment.

Cynthia B. Faulhaber of East Lansing offered similar testimony. In the last year of her husband's leukemia-shortened life, he relied on a weekly infusion of immunoglobulin (a blood product) to maintain his immune system. On one of his treatment days, he had to wait dangerous hours before the proper equipment was transferred from the lab. Later, it was revealed that this life-threatening situation had evolved because the person working in the lab held religious beliefs that the use of blood products was a sin.

Sen. Gilda Jacobs (D-Huntington Woods) talked about how it was her mother's wish not to be resuscitated in case her poor health took a turn for the worst, which is what happened when she was in intensive care at a Florida hospital. What if the physician on duty had had a moral objection to her mother's wishes?

Senator Hammerstrom also wanted answers as to why these bills were important when, in her 12 years as a legislator, she's never taken a constituent call from anyone who believed this was an issue. When Meyer told her that the bills are a pre-emptive strike against the increased pressure being felt by some to provide coverage for certain types of procedures, Hammerstrom responded with, "So this is a solution to a problem in the making?"

Even Sen. Bruce Patterson (R-Canton) expressed concerns about how the legislation might enable discrimination against gay people. In essence, Sen. Patterson said that the legislation went too far.

The Catholic Conference supports this legislation, but beyond that, there isn't much support. The professional community is united against it.

UPCOMING EVENTS:

Senator Jacobs Office Hours
Monday, October 4, 10:30 – 11:30 a.m.
Kulick Center in Ferndale
1201 Livernois

Gerontology Panel Discussion
Monday, October 4, 12:30 -3:00 p.m.
McDonnell Tower Dining Room
24300 Civic Center Drive - Southfield

All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/>.

State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at sengjacobs@senate.michigan.gov or toll-free at 1-888-937-4453.

This newsletter is produced in single-space form in order to save paper and transmission costs.

####